GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1372
ANSWERED ON:08.03.2007
RECOMMENDATIONS OF BRPSE ON PSUs
Ananth Kumar Shri ;Sugavanam Shri E.G.

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the criteria for referring a PSE to the BRPSE;

(b) the details of Public Sector Enterprises (PSEs) referred to the Board for Reconstruction of Public Sector Enterprises (BRPSE) for examination as on date;

(c) the recommendations of the BRPSE thereon; and

(d) the action taken by the Government thereon?

Answer

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) All sick Central Public Sector Enterprises (CPSEs) will be referred to Board for Reconstruction of Public Sector Enterprises (BRPSE). A CPSE will be considered `sick` if it has accumulated losses in any financial year equal to 50% or more of its average net worth during 4 years immediately preceding such financial year and/or a CPSE which is a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

(b) Till 28th February 2007s 56 cases of CPSEs (Annex-I) have been referred to BRPSE by the concerned administrative ministries/departments.

(c)&(d) The Board has given its final recommendations in respect of 40 cases of CPSEs (Annex-II). The recommendations of BRPSE fall under two broad categories -
(i) Revival as PSEs through revival package or joint venture/disinvestment - 38 cases of CPSEs and
(ii) Closure - 2 CPSEs. Government has approved revival proposals of 25 cases of CPSEs envisaging assistance from Government of India of Rs.1941.30 crores in cash in the form of equity/loan/grants and Rs.5709.44 crores in non-cash in the form of waiver of interest/loan/guarantee fees,conversion of loan into equity/debentures,provision of guarantee,etc., and closure of one CPSE, namely Bharat Ophthalmic Glass Ltd.